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# interim report to shareholders

FOR THE SIX MONTHS ENDED  
JUNE 30th  
1981

KeepRite Inc.

## KeepRite Inc.

### TO OUR SHAREHOLDERS:

First six month 1981 consolidated sales reached \$47,136,000, up some 4 percent over \$45,434,000 recorded during the same period a year earlier.

Net income for the first six months of 1981 at \$1,959,000 and \$1.48 per share is off somewhat from the \$2,185,000 and \$1.66 per share recorded in 1980. Higher interest charges of \$1,061,000 for the period in 1981 over 1980 produced a significant negative impact on the financial results. Profit before interest and taxes for the six months was about 13 percent ahead of the same period in 1980.

On April 10, 1981, Inter-City Gas Corporation of Winnipeg, Manitoba, a Canadian corporation, offered to purchase all the outstanding common shares of KeepRite Inc. Pursuant to the offer ICG has acquired approximately 65 percent of the shares, including the shares previously held by the Odette Group. The four Directors representing the Odette Group subsequently resigned from the Board. Three ICG representatives have been appointed to the KeepRite Board as follows: Mr. R. G. Graham, Chairman, Mr. C. R. Beenham, Vice Chairman and Mr. D. S. Rogers, Director.

On June 10, 1981, KeepRite Inc. signed an agreement to purchase certain assets of the heating and cooling division of Westinghouse Canada Inc. located in Oakville, Ontario. The transaction was completed effective June 30, 1981.

On July 28, 1981, KeepRite Inc. acquired all of the outstanding shares of ZoneAire Corporation of Johnson City, Tennessee, U.S.A., a manufacturer and distributor of air conditioning products.

At a meeting of the Board of Directors held on June 17, 1981, the third quarter dividend of 22 cents per share was declared payable on August 31, 1981 to shareholders of record August 14, 1981 and is enclosed.

R. G. GRAHAM,  
Chairman.

D. G. McKAY,  
President.

August 18, 1981

## comparative interim financial statement

(unaudited — subject to year-end adjustments)

### consolidated statement of income

	1981	1980
SALES .....	\$ 47,136	\$ 45,434
Cost of Sales, Selling, Administrative and other expenses exclusive of the items listed below .....	42,414	41,153
Depreciation .....	599	492
Interest Expense-Share Repurchase Loan .....	874	140
Net income for the period before taxes on income .....	\$ 43,887	\$ 41,785
Taxes on income (includes 3% inventory adjustment and 5% Federal surtax) .....	\$ 3,249	\$ 3,649
NET INCOME FOR THE PERIOD .....	1,290	1,464
Earnings per share .....	\$ 1.959	\$ 2.185
	\$1.48	\$1.66

Six Months Ended June 30  
(in thousands of dollars)

### consolidated statement of changes in financial position

#### FINANCIAL RESOURCES WERE PROVIDED BY:

	1981	1980
Operations —	\$ 1,959	\$ 2,185
Net income .....	599	492
Items not requiring a current outlay of funds —		
Depreciation and amortization .....	\$ 2,558	\$ 2,677
Total from operations .....	—	11,900
Loan for repurchase of shares .....	50	34
Proceeds from issue of shares .....	\$ 2,608	\$ 14,611

#### FINANCIAL RESOURCES WERE USED FOR:

	1981	1980
Share Repurchase .....	\$ —	\$ 11,900
Purchase of fixed assets, net .....	526	2,711
Payments on capital lease obligations .....	36	29
Dividends .....	580	807
	\$ 1,142	\$ 15,447
Increase (decrease) in working capital .....	1,466	(836)
Working capital at beginning of year .....	9,680	16,373
Working capital at June 30 .....	\$ 11,146	\$ 15,537